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ABSTRACT

During the past three decades, the health spa industry has grown to become a viable component of our society. Many people, however, still have reservations about the sincerity of health spa proprietors. This is a result of nonprofessional management in the first years of business. Today the health spa industry finds itself with changed perspectives, modified objectives, restructured priorities, and redefined responsibilities. To meet these vicissitudes and challenges, the industry is undergoing a transformation defined by the following criteria: professional management; long range profit maximization objectives; large capital investments and permanent facilities; extensive advertising and promotion covering large geographic areas and encompassing all media; establishment of a structured pricing policy; permanent and professional programs of instruction and supervision; regulation of activities at the federal, state, and local levels; and institution of a total recreational concept. Recently, Health Industries, Inc., operators of European Health Spas, formed the Association of Physical Fitness Centers. The primary objective of the organization is to provide a vehicle for its members to police its own industry. Through this association and the hiring of staff with professional backgrounds, the health spa industry is seeking to provide professional, reliable service to the consumer. (DMT)

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THE HEALTH SPA INDUSTRY AND THE PROFESSION

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During the past three decades, the health spa industry has become a viable component of our society. This development has come about because of consumer awareness of the values (both pleasurable and healthful) of physical and recreational activities. The availability of greater amounts of discretionary income and time have also served as catalysts to this upsurge in physical activity. While traditional professional growth had readied school and park programs for the new national interests in mass participation, the commercial health spa industry was not so well prepared. It responded to success, however transitory as it was, in a classical "Peter Principle" fashion. Not unlike, I should add, many other emerging industries. Its growth has been evolutionary, but it has grown. Its history is marked by both successes and failures, but it now does have a history. But, because it is a service industry, its failures tend to be more dramatically etched in the minds of the public.

If we really want to know how the industry evolved, we must try to learn something about the nature of the first spa operations. Picture, if you will, a man with a strong personal interest in his own physical health and development. An interest so strong that he equipped his own basement or garage with exercise equipment that he bought, made or borrowed. Before long, because he didn't succumb to the narcotic of easy living, he began to look different than his

friends and neighbors. More healthy in fact, younger ..... in short - better. Interest in his home gym might have grown to a point where he formed a club that his friends joined. At any rate before long at the urging of his friends, he rented space in a commercial building and opened a health club, or spa, or gym or whatever.

Now, instead of being only a person interested in his own personal health and physical development, he became a businessman. A businessman with neither expertise or training. He was unable to anticipate the demand that would eventually develop for his service and, because of lack of business background, he was prone to conduct his business through imitation of others who were in the same situation. As a result of this limited business expertise, the early spa operator was beset with a multitude of difficulties. Problems emerged which forced some of his peers out of business, stranded members, or compelled others to assume a mode of business operation aimed solely at survival. This theory of earlier management tended to produce stereotypes which have carried a certain industry stigma forward to present day spa operations. This perceptual image has been given further impetus by those few operators who persist in archaic activities which promote spa services to exploit short-term profits. In reality, such marginal operators exist in every business venture and are not unique to the spa industry. Thus, the onus of past inproprieties is mitigated by the transition from the old way of doing things to that of the new.

The Present

Contemporary lifestyles have created both the need for spa industry services and the means to avail oneself of the facilities. So strong were the forces favoring spas that the industry grew in spite of itself and in spite of reckless practices and a lack of long-term considerations. This rapid growth and operational transition have created an entirely altered business environment. Today, the health spa industry finds itself with changed perspectives, modified objectives, restructured priorities and redefined responsibilities. To meet these vicissitudes and challenges, the industry is undergoing a transformation defined by the following criteria:

1) Professional management
2) Long-range profit maximization objectives
3) Large capital investments and permanent facilities
4) Extensive advertising and promotion covering large geographic areas and encompassing all media
5) Establishment of a structured pricing policy
6) Permanent and professional programs of instruction and supervision
7) Regulation of activities at the Federal, State and local levels
8) Institution of a total recreational concept

Americans desire good health. Even after allowing for inflation, their spending on health products and services continues to soar. Health services has become the fastest growing segment of the national economy. But as prices rise, people search for more economical solutions. The commercial health spa offers a viable alternative in both preventive and therapeutic medicine. It really is inexpensive to maintain good health, to avoid a debilitating manifestation of nervous tension, and to restore strength and energy through a combination of proper exercise, rest and nutrition.

A health conscious and cost conscious America will depend increasingly on the modern health spa, once they become informed of the vital benefits. Other trends favoring the growth of spa usage include:

1) The high cost of alternative recreation. The health spa membership costs no more per week than a movie date, a night bowling, or a pizza with beer.

2) The high percentage of automobile ownerships puts spa visits within the range of average people.

3) The gasoline shortage. People will use their leisure time closer to home.

4) The high divorce rate. Divorced individuals face once again the demands and challenges of courtship. Improved body cosmetics are often a top priority for the newly divorced and separated.

5) Unprecedented amounts of leisure time for average people.

6) Rich, self-indulgent dietary habits.

7) Urban and suburban concentrations of population with few natural outlets for physical exercise.

8) National advertising programs expressing the values of physical fitness.

Once out of school, individuals must seriously apply themselves to seek and to participate in physical exercise. There are fewer and fewer opportunities for exercise at work, more traveling in the car, and watching television. Yet, the counterbalancing factors of available leisure time and spending power permit the individual to indulge in a variety of exercise activities. This powerful combination of forces has sustained the health spa industry through its pioneering and growth phase. The industry has grown to a point where it is in a more mature, competitive state. No longer is it

enough to merely open attractive, well-equipped spas in "good locations". Now, spa managements must develop coordinated marketing strategies and supportive programs to assure both a quantity and quality of spa business. This is the point at which the commercial health industry is now. As such, it is a compliment to the vision of those who fostered its growth. The commercial health spa is in the mainstream of change in America, and management's challenge is to utilize this change to secure future successes. To foster the growth of the health club industry requires a new ingredient .... professionalism.

Probably all the people in this room are professionals. People who have chosen to follow a career in physical education. And, even more specifically, you have a special interest in the area of physical fitness. And, if you are not conducting fitness programs yourself, you are probably teaching young people to become fitness instructors. In recent years the profession has become acutely aware of the need for professional leadership in the area of adult fitness. This interest was fostered by efforts of The President's Council on Physical Fitness and Sports, The American Medical Association's Committee on Exercise and Physical Fitness, the historic leadership programs of the YMCA, and the more recent efforts of Dr. Kenneth Cooper at his aerobic center in Dallas, Texas. Many of the young people who are graduating from our colleges and universities are looking for opportunities to pursue their professional interests in

in the area of adult fitness. However, schools and colleges are limited in the number of job opportunities that they can offer in this area. Even the YMCA's do not have adequate vacancies to accommodate the wealth of trained people who are now available. If for no other reason, the profession should look to the commercial health field as a potential source of employment for personnel trained in the area of physical education with emphasis in the area of adult fitness and exercise physiology.

Let's talk for just a minute about the health spa and what it is. Up until about eight months ago, I really didn't know much about health spas. I had spent ten years with The President's Council on Physical Fitness and Sports, two years as State Director of Physical Education in Kansas, two years as a helping teacher of physical education in elementary schools in Kansas City, Kansas, and within those years also I spent some time as president of a company that designed and marketed programs of physical fitness to industry. Would you believe in all those years I never once visited a commercial health spa. Also, I never even knew anybody who worked in a commercial health spa. As a matter of fact, I was embarrassed to even think about going to a commercial health spa. The main reason being that the advertisements that I had seen concerning these institutions made me feel as though there was something risque about going there; and I thought, if I did go to a health spa, somehow my professional image would be "tainted". What caused me to have these

kinds of impressions about a health spa? Partly I think it was because I drew certain conclusions from my undergraduate training that health spas were not "professional". Also, during my undergraduate training, I never had any interest in the area of adult physical fitness. My goal was to become an elementary or high school or university instructor of physical education. But eight months ago, or more accurately ten months ago, after 17 years as a "professional" I became interested in the commercial health spa industry. Through my work at The President's Council on Physical Fitness and Sports, I was introduced to a man who was President of the world's largest chain of health spas. As a matter of fact, I worked with this man on professional committees. And, as a result, I developed a friendship with him and an admiration for his sincerity and interests in adult health and physical fitness. So I began to learn more. I asked questions; I visited health spas; and I found out that most of the people who worked in these spas had a sincere interest in the health and well being of the people who came there as members. They had a "professional" interest without a professional educational background. So I made up my mind that I would attempt to cast aside my stereotype images of what a health spa was and try to focus on what it really is. Finally, I was offered an opportunity to join this company in a new professional position. And then I almost made one of the biggest mistakes of my life; I almost didn't accept the invitation. And the reason I almost didn't accept was because I was still living with the old stereotypes that I had about

this industry. I was very concerned about what my colleagues would think of me if I made this move. Now that I have been with Health Industries for a little over eight months, I want to tell you something about the spa business.

Our company owns and operates the European Health Spas throughout the United States. We have 144 such locations in 80 cities and 28 states. We employ 2,700 people and last year our gross sales were approximately $65,000,000. We have about one-half million members who attend our spas three times a week. The membership is made up of both men and women, 18 years of age and over. We have men instructors for men and women instructors for the women. A typical facility costs between $250,000 to $750,000. It consists of an exercise room, mostly resistive type exercise apparatus of the Universal Gymnasium or the Nautilus design; barbells, dumbbells - all chrome, of course; electric and manual treadmills; stationery bicycles; and some passive equipment. Our spas also have small swimming pools, large whirlpools, saunas, steam rooms, inhalation rooms, cold plunges, oil baths, nurseries for mothers to leave their children, and locker and shower areas. Our programs include yoga classes, weight training classes, ballet classes, stretch classes, nutritional guidance, outdoor jogging, and we're even beginning to sponsor athletic competition between spas. The staff is mostly on the young side - 35 years of age and younger. We have some PhD.'s with physical education backgrounds,

many college graduates from the field of business, and some personnel with only high school diplomas. But, as a group, I think you would have to rate them generally higher in physical fitness than the average group of physical educators; and certainly they have an almost evangelistic type interest in the subject of physical fitness. For the most part they crave information .... the kind of information that you have to give. They want to be able to do their job, of making people more fit and health knowledgeable, as best as they can. So, anyone who promises to have information that will help them to do their job better is in great demand. Their reward is in the results they receive. They have a base salary which is comparable or above most beginning teaching positions and they receive additional compensation from the memberships which they sell or for which they are responsible, through service, for renewal.

Recently our industry has formed the Association of Physical Fitness Centers. This Association has published such documents as The Health Spa Industry: A Private Sector Solution To A National Problem, Code of Ethical Practices, and What You Should Know About A Health Spa Membership. The Association of Physical Fitness Centers is a trade association. Its primary responsibility is to provide a vehicle for its members to police its own industry. We recognize that there are problems still existing. We know that some unscrupulous operators will resort to such tactics as false advertising, high pressure sales, baiting, lever techniques, and

other methods to simply sign the unsuspecting public to memberships. Unfortunately most of these operators have no interest in servicing the new member once he has joined his club. This is the same type of individual who will pull a trailer up to a vacant lot, put up a sign that he will soon be building the "fountain of youth health spa", do preselling up to amounts in the hundreds of thousands of dollars, and then one night pull up his trailer and drive away. When that happens you can imagine the effect it has on the legitimate businessman who is operating a full service, permanent health spa built along the lines which I have mentioned earlier. And, just for your information, when that happens those members of the Association who remain in the community usually opt to honor those memberships at no cost to the individual. The reason, of course, is that it does a great deal for these clubs in terms of their relationship with consumer affairs people and for helping to enhance their status in the business community.

As for magnitude of the health spa business in the United States, a Federal Trade Commission survey pointed out that there are now 2,000 health spas in the United States .... although the Yellow Pages in the telephone directories throughout the country indicate some 4,000 health spas. However, these usually include massage parlors of which we are not speaking. By the way, that's another problem that we have to live with. Many of the illegitimate massage parlors call themselves health spas and, of course, their

scandalous reputation is quite liberally sprinkled among all of the legitimate health spas by those people who are misinformed or uninformed about the difference between a full-line health spa interested in physical fitness and a massage parlor interested only in illicit sex. The Association of Physical Fitness Centers estimates that there are between 2,000 and 2,500 health clubs throughout the United States. As of this time the APFC has 27 members which include 357 individual health clubs. So, as you can see, the Association is really still in its infancy. I do want to add that the Association of Physical Fitness Centers is holding its first national convention later this month in Miami, Florida at which time there will be representatives from the Federal Trade Commission participating in panel discussions concerned primarily with recent FTC proposed rulings which will affect the operation of health clubs.

Finally, as a point of information, I want to let you know what's happened in some of the larger health club companies throughout this country. The organization I belong to, Health Industries, which I mentioned owns and operates European Health Spas has taken several major innovative steps towards increasing the amount of professionalism associated with our programs. In addition to hiring staff members with professional backgrounds, we have recently formed an Advisory Committee made up of six prominent members of your profession. We have recently introduced

a new Standard Exercise Manual in all of our spas to develop a higher level of standardization and base of knowledge among our instructors and consultants. We have developed both employee and member newsletters and we have been discussing potential areas of research which we feel would be most appropriate to be conducted in our spas. Other health club companies are following the same patterns. Professionals are being invited to serve on Advisory Committees and as consultants. The industry itself has showed a substantial interest in upgrading its product by participation in programs of the APFC. Also, staff personnel of health spas are working in community and state medical and other health related associations to assist in community education and training programs in the areas of cardiopulmonary resuscitation and high blood pressure screening programs.

And, there are activities on other fronts. Some state legislatures have, through their health education committees, formed subcommittees to investigate the certification potential of instructors in commercial health spas. Model legislation has been introduced by our Association in some states .... legislation that will affect the operation of health clubs to protect the consumer and the operator alike. In addition, the leadership in your own profession is asking what can be done to assist this emerging industry to insure that the programs they are offering will be the most beneficial to the adult citizen to whom they are directed.

It is my own personal belief that five years from now, or hopefully less than that, the existence of physical education graduates working in health spas will be the rule .... not the exception. When that occurs, I think you, as a profession, will be ready to make a more open, fair view of the operation of a commercial health spa. In fact, it's my unscientific opinion that possibly 75% of the members of our profession have never been inside of a full line commercial health spa. Yet, if these same people were asked by their friends and neighbors whether or not they should join a health spa, they probably would respond that they "shouldn't join because they can do everything they need to do in their own home" or "health clubs are a rip-off" or "there's nobody in the health spa who knows what they are doing and can tell you what to do". I know .... I use to be one of those people who was really pretty tough on the health spa. My standard reaction to the health spa question was always that the "health spa was probably as good as what you as an individual put into it" .... and, I still feel that way. If an individual joins the health spa and thinks that by merely joining something miraculous is going to happen to him, he is mistaken. As you know, simply joining a health spa will never make anyone physically fit. Each individual must display enough willpower and self-discipline to go to the spa on a regular basis and follow the program that is set up for him. However, I do feel that the health spa can go a long way in providing that key to motivation that most individuals lack who are physically unfit.

Not only can they provide the motivation .... they can provide the facilities and an atmosphere that is pleasurable to be in and potentially able to provide the desired results.

In closing, let me issue to you as a group these challenges:

1) Go visit a health spa, or two or more, in your own city and see what's going on.

2) Determine the opportunities that are available there for the graduates from your college or university.

3) Offer to give some professional guidance to the management of the spa thru service on a club committee or consultation.

4) Contact the Association of Physical Fitness Centers at 5272 River Road, Washington, D.C. 20016, and ask for information about the Association.

5) And, then ask yourself if you have a bias against the commercial health spa. If you do, examine honestly with yourself what these biases are. Once you come up with the answers, I suggest you take a stand. Do something about your feelings. If there is something wrong with the health spa in your area, do something to correct it. Contact the APFC for help, if necessary. And, if you like what you find - if you see a potential for good, work to improve it.

If you yourself are teaching at a college or university and have all the fine facilities that have been provided through either public or private funds, it will be easy for you to look upon the health spa as a mediocre type of facility. Most health spas do not contain olympic-size swimming pools, indoor tennis courts, or all-weather outdoor running tracks. Of course, some do. But, keep in mind that in a survey conducted by The President's Council on Physical Fitness and Sports less than 3% of the adults in the United States participate in any kind of organized program of exercise, including YMCA's. Therefore, there is a great need in most cities, in most communities, and in most states to provide the facilities and the leadership necessary to conduct well organized, scientifically sound programs of physical activity for the adult members of our society. I personally think that it is your responsibility, as well as mine, to take a new look at our professional obligations to overcome our biases, if we have any, and to offer whatever constructive help we can to assist the health spa industry to gain acceptance in our society through the development of programs that will ultimately lead to improved levels of physical fitness for all of our citizens.

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